

An EU IP Action Plan for strong industrial ecosystems

Press Release

Brussels, 25 November 2020 - Today, the European Commission has set out its vision on the role of IP for Europe's industrial future through the publication of a new IP Action Plan.

EuropaBio's Director General, Dr. Claire Skentelbery, stated: *"IP underpins the success of life sciences and biotechnology innovation across key industrial ecosystems, including health, low-carbon and agri-food. Biotechnology-derived innovations have been critical in the pandemic response, and none of these would have been possible without a robust IP framework to secure investment in high-risk research, infrastructure, and diversified products. We welcome the Commission IP Action Plan to enable critical IP for EU-based and globally competitive innovation and we call for proactive policy coherence between this Plan and the Industrial and Pharmaceutical Strategies."*

The EU biotechnology ecosystem is confronted with high costs of patenting, while competing with other high-tech regions, such as the US, Japan, and China. Biotech SMEs are particularly likely to struggle, especially in view of the fragmented EU market. In addition, IP is often critical to attract funding for SMEs to conduct R&D further up the Technology Readiness Level (TRL) scale, often with larger external partners, and to fund the next generation of discoveries. A survey of 190 venture capital-seeking biotech companies showed that having at least one patent application filed reduced the time-period to the first VC investment by 76%.¹

Dr. Skentelbery added: *"We applaud today's pledge from the European Commission to swiftly enable the unitary patent system to mitigate the patent cost hurdle. This is vital for biotech SMEs which often operate for many years without revenue or profits. We also stress again the importance of promptly introducing a unitary SPC title, as well as putting in place a single SPC grant mechanism with a suitable appeal structure, and a Single Application Portal to work seamlessly alongside national SPC grants."*

Over the last months, nearly 75% of the 800 R&D programmes launched for COVID-19 come from small and medium-sized biotechnology companies.

Dr. Skentelbery continued to comment that: *"SMEs using biotechnology have been leading the charge against the COVID-19 pandemic. The IP developed over many years at a significant cost enabled delivery on such a remarkable pace and scale. The ongoing*

¹ Discussion Paper No. 09-003, To Be Financed or Not... The Role of Patents for Venture Capital Financing, Carolin Haeussler, Dietmar Harhoff, and Elisabeth Mueller



“Incentives Review” must recognise IP as the main driver for innovation and not mis-characterise IP as a barrier to patient access. Compulsory licences are not an option to address challenges with access, whose root causes are multi-factorial and unrelated to IP rights.”

Digitalisation is a key opportunity for the EU to become a trusted global leader. EuropaBio holds that the EU needs to coordinate with relevant organisations, such as WIPO, to develop specific rules on AI.

Dr. Skentelbery explained: *“The convergence of data and bio-science, facilitated by AI and computing, is revolutionising the potential of life sciences and biotechnology to respond to global challenges. The EU IP framework should further support the application of new technologies, such as AI, digital technologies and blockchain, for life science innovations.”*

EuropaBio looks forward to engaging with the European Commission and all stakeholders in the process of implementation of the EU IP Action Plan for securing and broadening the criticality of IP for a successful life sciences and biotechnology ecosystem in the EU.

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About EuropaBio

EuropaBio, the European Association for Bioindustries, promotes an innovative and dynamic European biotechnology industry. EuropaBio and its members are committed to the socially responsible use of biotechnology to improve quality of life, to prevent, diagnose, treat and cure diseases, to improve the quality and quantity of food and feedstuffs and to move towards a biobased and zero-waste economy. EuropaBio represents 75 corporate members and 17 national biotechnology associations and bioregions.

Read more about our work at www.europabio.org.

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